

INDUSTRY AND HUMANITY

A STUDY
IN THE PRINCIPLES
UNDERLYING INDUSTRIAL
RECONSTRUCTION



LETTER OF TRANSMITTAL
TO THE
TRUSTEES *of the* ROCKEFELLER
FOUNDATION

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TO THE TRUSTEES,
THE ROCKEFELLER FOUNDATION,
NEW YORK.

Gentlemen,

In transmitting the accompanying volume, *Industry and Humanity*, which marks the completion of my study of the problem of Industrial Relations under the auspices of The Rockefeller Foundation, may I point out wherein I have sought to give expression to the Foundation's purpose as set forth in communications received with respect to my appointment, and in statements published at the time the study was commenced.

In the terms of the resolution of the Executive Committee of the Foundation, I was appointed "to make a comprehensive study of the problem of industrial relations." The purpose of the study was set forth in a communication in which I was invited to "enlist under the auspices of the Rockefeller Foundation in the investigation of the great problem of industrial relations, with a special view to the discovery of some organization or union, or, at any rate, of some mutual relationship of Capital and Labor which would afford to Labor the protection it needs against oppression and exploitation, while at the same time promoting its efficiency as an instrument of economic production." After mentioning that it was "the largest possible contribution to the solution of this great problem" that the Foundation wished to secure, the

communication further outlined the purpose of the study as follows: "Of course the problem is so vast and the difficulties are so largely inherent in human nature, that a complete solution is not to be expected in five years or in a generation. On the other hand, it might be expected that hard study for a year or two would yield much light on the problem and particularly on the very question whether such studies could be profitably pursued for a longer or an indefinite time under such auspices and with such resources as the Rockefeller Foundation could provide." A supplementary communication mentioned that it was the Foundation's desire that "the scope should be as broad and comprehensive as possible, for only as a result of such an investigation can we hope to be in a position to make helpful suggestions looking toward improvement in industrial relations."

In information furnished by the Foundation in response to a Questionnaire submitted by the United States Commission on Industrial Relations, the following appears as to the facts, reasons, and considerations which led to the establishment of the Industrial Relations Division of the Foundation:

"While the general subject of economic research was under consideration, the industrial disturbances in Colorado impressed the President of the Foundation with the great need and public importance of finding an effective means of preventing such conflicts and caused him to urge a far-reaching study

of industrial relations as the most important immediate inquiry to which the Foundation could direct attention. In view of the passion aroused in Colorado and the many divergent interests involved there, it was felt that the Foundation itself should not interfere in that situation, but that it was of the utmost consequence that the root causes of that and similar disturbances should be ascertained, and, if possible, removed, not only in Colorado but elsewhere. The Rockefeller Foundation is, moreover, a large owner of corporate securities, and in that capacity is itself directly concerned in maintaining harmonious relations between the companies in which it is interested and their employees. It was therefore felt that if the Foundation could work out, on a basis compatible with sound economics, a substantial improvement in the relations between capital and labor, it would not only discharge its obligation as indirectly a large employer of labor, but would also perform for the general public a greater social service than it could render along usual philanthropic lines."

Elsewhere, in reply to the question, "What results does the Foundation expect to secure from its Industrial Relations Division?" the answer is made:

"It is hoped that by a careful study of world experience there may be disclosed methods of adjusting industrial relations which if applied will prove of permanent value."

From the foregoing, it will be apparent that, in accordance with the Foundation's purpose,

the investigation of industrial relations, as respects *method and scope*, was to be:

- i. in the nature of studies related to the whole problem of industrial relations;
- ii. as broad and comprehensive as possible;
- iii. pursued over a period of time.

As respects *aim*, the investigation was to be "constructively helpful," this object to be attained by:

- i. discovering, if possible, some organization or mutual relationship of Capital and Labor which would protect Labor against oppression and exploitation and at the same time promote its efficiency;
- ii. disclosing whether similar studies could be profitably pursued by the Rockefeller Foundation for a longer or an indefinite period;
- iii. making suggestions, and working out sound and substantial improvements in the relations of Capital and Labor;
- iv. finding effective means of preventing industrial conflicts;
- v. ascertaining and, if possible, removing, the root causes of disturbances in Colorado and elsewhere.

It has seemed impossible to disclose appreciation of the magnitude of the task assigned by the Foundation, or to pursue it in accordance with the method and scope intimated, except by a review of the industrial problem sufficiently comprehensive to suggest the proportions of any adequate study of industrial relations, and

a method of approach toward a solution. This twofold purpose I have had before me in the preparation of the volume transmitted herewith.

In the Prefatory Note, I have drawn attention to the circumstances which made it impossible for me to carry out the study in the manner anticipated when the work was commenced, and the extent to which, in consequence, it was necessary for me to modify my plans. Some of the objects above set forth have been, I believe, at least partially attained by investigation made into the root causes of industrial controversies existing at the time the study was commenced, and by the working out of improvements in industrial relations through suggestion or otherwise, as opportunity offered.

As indicated by the sub-title of the book, a further effort has been made to give practical value to the study by relating it primarily to principles underlying industrial reconstruction.

As to the first aim mentioned: namely, that of discovering, if possible, some organization or mutual relationship of Capital and Labor which would protect Labor against oppression and exploitation, and at the same time promote its efficiency, my study has led me to believe that this is something not to be found in any new form of organization, but is fundamentally a matter of the nature of government in Industry. The emphasis given in the book to the importance of attitude and spirit in the solution of industrial problems, and the statement of prin-

ciples underlying industrial reconstruction, present, I believe, a basis of government in Industry which, if followed, would contribute materially to the end desired. My studies have led me to believe that, of all matters pertaining to industrial relations, the most important, so far as needful investigation is concerned, are those of government in Industry, and of industrial fatigues and occupational diseases, to which reference is also made in the volume.

Whilst I cannot hope that this study will realize the expectation of the Trustees, or do justice to the aim of the Foundation in any of the many particulars cited, I believe a perusal of the pages of the accompanying book will disclose that I have sought to keep in mind the comprehensive purpose of the study, as well as the specific objects mentioned; also that I have sought to be "constructively helpful," by going to the heart of the matter and indicating to those closely connected with Industry, and especially to Employers and Leaders of Organized Labor, a point of view from which the problems of Industry must be faced if the foundations of industrial reconstruction are to be laid with any hope of general acceptance and permanency.

Though most inadequately expressed, I have publicly acknowledged, in the Prefatory Note, the debt I owe to the Foundation for the opportunity which has made possible the writing of the volume. May I be permitted to add here

a word of grateful appreciation for the many opportunities of service and other advantages enjoyed during the period of my association with the Foundation.

W. L. MACKENZIE KING

The Roxborough
Ottawa, Canada

November 15, 1918

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